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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

vs.

HEDONOVA LLC and HEDONOVA
ADVISORS LLC,

Defendants.

Case No. 2:24-cv-05293-AB-E

**ORDER OF PRELIMINARY
INJUNCTION**

This matter came before the Court upon the Consent of Defendants and Stipulation for Preliminary Injunction (“Consent and Stipulation”) by and between Plaintiff Securities and Exchange Commission (“SEC” or “Commission”) and Defendants Hedonova Fund LLC and Hedonova Advisors LLC (collectively with Hedonova Fund LLC, the “Defendants”).

The Court, having considered the Consent and Stipulation, as well as the Complaint (Dkt. 1), Amended Answer (Dkt. 45), and Docket Entry Nos. 13–15, 19, 24 and 46, finds that:

- 1 A. This Court has jurisdiction over the parties to, and the subject matter of,
2 this action.
- 3 B. Defendants have consented and the parties have stipulated to entry of the
4 following Order.
- 5 C. Defendants neither admit nor deny the allegations of the Complaint
6 (except as to the Commission’s allegations concerning personal and
7 subject matter jurisdiction, which Defendants admit), or that “Good
8 cause” exists as stated in Paragraph E. Nothing in this Order precludes
9 Defendants from contesting the allegations or claims in the SEC’s
10 Complaint.
- 11 D. Defendants will not oppose enforcement of this Order of Preliminary
12 Injunction on the ground, if any exists, that it fails to comply with Rule
13 65 of the Federal Rules of Civil Procedure or any statutes or judicial
14 precedent regarding preliminary injunctions, and waive any such
15 objection.
- 16 E. For purposes of this Stipulated Order, good cause exists to believe that
17 (1) the SEC is likely to succeed on the merits of its claim that
18 Defendants Hedonova LLC and Hedonova Advisors LLC have engaged
19 in, are engaging in, are about to engage in, and will continue to engage
20 in transactions, acts, practices and courses of business that constitute
21 violations of Section 17(a) of the Securities Act of 1933 (“Securities
22 Act”) [15 U.S.C. § 77q(a)]; Section 10(b) of the Securities Exchange Act
23 of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5
24 thereunder [17 C.F.R. § 240.10b-5]; and that Defendant Hedonova
25 Advisors LLC has engaged in, is engaging in, is about to engage in, and
26 will continue to engage in transactions, acts, practices and courses of
27 business that constitute violations of Section 206(4) of the Investment
28 Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. § 80b-6(4)] and Rule

1 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8]; (2) irreparable harm
2 will result in the absence of the emergency or preliminary relief; (3) the
3 balance of equities tips in the SEC’s favor; and (4) an injunction is in the
4 public interest.

5 **PRELIMINARY INJUNCTION ORDER**

6 **I.**

7 IT IS HEREBY ORDERED that Defendants Hedonova LLC and Hedonova
8 Advisors LLC are preliminarily enjoined from violating, directly or indirectly,
9 Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule
10 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or
11 instrumentality of interstate commerce, or of the mails, or of any facility of any
12 national securities exchange, in connection with the purchase or sale of any security:

13 (a) to employ any device, scheme, or artifice to defraud;

14 (b) to make any untrue statement of a material fact or to omit to state a material
15 fact necessary in order to make the statements made, in the light of the circumstances
16 under which they were made, not misleading; or

17 (c) to engage in any act, practice, or course of business which operates or
18 would operate as a fraud or deceit upon any person.

19 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that,
20 as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
21 binds the following who receive actual notice of this Preliminary Injunction Order
22 (“Order”) by personal service or otherwise: (a) Defendants’ officers, agents, servants,
23 employees, and attorneys, and (b) other persons in active concert or participation with
24 Defendants or with anyone described in (a).

25 **II.**

26 IT IS HEREBY FURTHER ORDERED that Defendants Hedonova LLC and
27 Hedonova Advisors LLC are preliminarily enjoined from violating Section 17(a) of
28 the Securities Act of 1933 [15 U.S.C. § 77q(a)] in the offer or sale of any security by

1 the use of any means or instruments of transportation or communication in interstate
2 commerce or by use of the mails, directly or indirectly:

3 (a) to employ any device, scheme, or artifice to defraud;

4 (b) to obtain money or property by means of any untrue statement of a material
5 fact or any omission of a material fact necessary in order to make the statements
6 made, in light of the circumstances under which they were made, not misleading; or

7 (c) to engage in any transaction, practice, or course of business which operates
8 or would operate as a fraud or deceit upon the purchaser.

9 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that,
10 as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
11 binds the following who receive actual notice of this Order by personal service or
12 otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys, and
13 (b) other persons in active concert or participation with Defendants or with anyone
14 described in (a).

15 **III.**

16 IT IS HEREBY FURTHER ORDERED that Defendant Hedonova Advisors
17 LLC is preliminarily enjoined from violating Section 206(4) of the Investment
18 Advisers Act of 1940 [15 U.S.C. §§ 80b-6(4)] and Rule 206(4)-8 thereunder [17
19 C.F.R. § 275.206(4)-8] while serving as an investment adviser to a pooled investment
20 vehicle by the use of the mails or means and instrumentalities of interstate commerce
21 or by use of the mails, directly or indirectly:

22 (a) to make an untrue statement of a material fact or to omit to state a material
23 fact necessary to make the statements made, in light of the circumstances under
24 which they were made, not misleading to any investor or prospective investor in the
25 pooled investment vehicle; or

26 (b) to engage in any act, practice, or course of business that is fraudulent,
27 deceptive, or manipulative with respect to any investor or prospective investor in the
28 pooled investment vehicle.

1 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that,
2 as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
3 binds the following who receive actual notice of this Order by personal service or
4 otherwise: (a) Defendant Hedonova Advisors LLC's officers, agents, servants,
5 employees, and attorneys, and (b) other persons in active concert or participation with
6 Defendant Hedonova Advisors LLC or with anyone described in (a).

7 **IV.**

8 IT IS HEREBY FURTHER ORDERED that Defendants Hedonova LLC and
9 Hedonova Advisors LLC are, pending resolution of this action, prohibited from
10 participating on and after the date of this Order in the issuance, purchase, offer, or
11 sale of securities, including but not limited to the solicitation or receipt of money for
12 any investment opportunity however described, to any investor located in the United
13 States.

14 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that,
15 as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
16 binds the following who receive actual notice of this Order by personal service or
17 otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys, and
18 (b) other persons in active concert or participation with Defendants or with anyone
19 described in (a).

20 **V.**

21 IT IS HEREBY FURTHER ORDERED that Defendants Hedonova LLC and
22 Hedonova Advisors LLC are, pending resolution of this action, required within 5
23 business days of the issuance of this order to post in a prominent place on the
24 homepage of the website located at Hedonova.io, when accessed from the United
25 States, as well as on the homepage of any website subsequently created by
26 Defendants that is available to investors and prospective investors located in the
27 United States, and in a prominent place in the mobile application software
28 Defendants have made available to investors and prospective investors located in the

1 United States:

2 (a) the following statement: “On June 24, 2024, the United States Securities
3 and Exchange Commission filed a Complaint in the United States District Court for
4 the Central District of California alleging that Hedonova LLC and Hedonova
5 Advisors LLC (“Defendants”) violated certain anti-fraud provisions of the federal
6 securities laws. On August 14, 2024, Defendants filed an Amended Answer denying
7 in relevant part the allegations of the Complaint.”;

8 (b) a hyperlink to a copy of the Commission’s Complaint (Dkt. 1);

9 (c) a hyperlink to a copy of Defendants’ Amended Answer to the Complaint
10 (Dkt. 45); and

11 (d) a hyperlink to a copy of this Order of Preliminary Injunction (Dkt. __).

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that,
13 as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
14 binds the following who receive actual notice of this Order by personal service or
15 otherwise: (a) Defendants’ officers, agents, servants, employees, and attorneys, and
16 (b) other persons in active concert or participation with Defendants or with anyone
17 described in (a).

18 **VI.**

19 IT IS FURTHER ORDERED that Defendant Hedonova Advisors LLC must
20 file an amended correct and accurate Form ADV with the Commission within 7
21 business days of the issuance of this order.¹

22 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that,
23 as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
24 binds the following who receive actual notice of this Order by personal service or
25 otherwise: (a) Defendant Hedonova Advisors LLC’s officers, agents, servants,
26

27 _____
28 ¹ Any revisions to the Form ADV may not be construed as an admission that prior
statements as alleged in the Complaint were false or misleading.

1 employees, and attorneys, and (b) other persons in active concert or participation with
2 Defendant Hedonova Advisors LLC or with anyone described in (a).

3 **VII.**

4 IT IS HEREBY FURTHER ORDERED that:

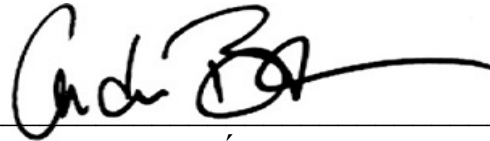
5 A. The Court shall retain jurisdiction over this action for all purposes.

6 B. Pursuant to Federal Rule of Civil Procedure 65(c), no security is
7 required of the Commission.

8 C. This Preliminary Injunction shall remain in effect until entry of Final
9 Judgment in, or other final disposition of, this action, or further Order of this Court.

10
11 **IT IS SO ORDERED.**

12
13 Dated: November 18, 2024



14 HONORABLE ANDRÉ BIROTTE JR.
15 UNITED STATES DISTRICT COURT JUDGE
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